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 SUBJ

JAPAN: MITI OFFICIAL ON CONDITIONAL IMPORT OF ALASKAN OIL  
 OW111117

TOKYO NIHON KEIZAI SHIMBUN IN JAPANESE 10 OCT 85, MORNING EDITION P 5  
 ((TEXT)) A BILL CONCERNING THE CONDITIONAL EXPORT OF ALASKAN  
 CRUDE OIL TO JAPAN WAS INTRODUCED IN THE U.S. CONGRESS ON  
 8 OCTOBER (LOCAL DATE). HOWEVER, A SOURCE CLOSE TO THE MITI'S  
 NATURAL RESOURCES AND ENERGY AGENCY DISCLOSED ON 9 OCTOBER: "THOUGH  
 THERE IS A FAVORABLE ATMOSPHERE FOR THE IMPORT OF ALASKAN CRUDE OIL,  
 WHETHER OR NOT IT CAN BE ACTUALLY IMPORTED TO JAPAN IS A  
 QUESTION TO BE DEALT WITH ON A COMMERCIAL BASIS. AS THE AMOUNT OF  
 JAPAN'S IMPORT OF CRUDE OIL HAS DECREASED YEAR BY YEAR, IT WILL BE  
 RATHER DIFFICULT FOR JAPAN TO IMPORT ALASKAN CRUDE OIL, UNLESS  
 THE U.S. SIDE OFFERS COMMERCIALLY ATTRACTIVE CONDITIONS."  
 ACCORDING TO THE BILL INTRODUCED BY REPUBLICAN MEMBERS  
 OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT WILL APPROVE  
 NEGOTIATIONS BY THE USTR (U.S. TRADE REPRESENTATIVE) ON THE  
 EXPORT OF ALASKAN CRUDE OIL TO JAPAN, ON CONDITION THAT JAPAN MAKE  
 SUBSTANTIAL CONCESSIONS ON THE IMPORT OF AGRICULTURAL AND TIMBER  
 PRODUCTS, COMMUNICATIONS EQUIPMENT, AND OIL PRODUCTS. TOUCHING ON  
 THIS CONDITION, THE SAME SOURCE STATED: "SOME CONGRESSMEN SEEM  
 TO HOLD THAT IT IS NATURAL TO ATTACK SUCH A CONDITION TO THE EXPORT  
 OF ALASKAN CRUDE OIL TO JAPAN, SINCE IT WOULD BE A FAVOR TO  
 JAPAN. NEVERTHELESS, BUSINESS TRANSACTIONS SHOULD, AT ALL EVENTS,  
 BE CONDUCTED ON A COMMERCIAL BASIS, AND IT IS NOT OUR UNDERSTANDING  
 THAT ALASKAN CRUDE OIL SHOULD BE IMPORTED REGARDLESS OF CONDITIONS  
 ATTACHED TO THE DEAL."

IN 1984, THE DAILY OUTPUT OF ALASKAN CRUDE OIL WAS 1,735,000  
 BARRELS, ACCOUNTING FOR ABOUT 20 PERCENT OF THE TOTAL OUTPUT IN  
 THE UNITED STATES. THE STATE GOVERNMENT OF ALASKA HOLDS 12.5  
 PERCENT OF THE TOTAL OUTPUT, WHILE OIL COMPANIES HOLD THE REST.  
 REPORTEDLY, WHILE THE STATE GOVERNMENT IS POSITIVELY INTERESTED IN  
 EXPORTS TO JAPAN, OIL COMPANIES DO NOT SEEM TO HAVE ANY INTEREST  
 AT ALL. AT PRESENT, ALL THE CRUDE OIL PRODUCED IN ALASKA IS  
 SUPPLIED TO THE DOMESTIC MARKET.

(ENDALL) 10 OCT YY/TAYLOR ST 11/2352Z OCT

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